

## SENATE SUBSTITUTE

FOR

## SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 2008

## AN ACT

To repeal sections 301.550, 301.560, 301.600, 301.610, 301.620, 301.630, 301.640, 301.660, 301.661, 306.400, 306.405, 306.410, 306.420, 306.430, 306.440, 365.070, 365.120, 407.750, 407.751, 407.752, 407.850, 407.860, 407.870, 407.890, 407.892, 407.893, 454.516, 700.350, 700.355, 700.360, 700.365, 700.370, 700.380 and 700.390, RSMo, and to enact in lieu thereof twenty-seven new sections relating to motor vehicle dealers, with penalty provisions.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
AS FOLLOWS:

1           Section A. Sections 301.550, 301.560, 301.600, 301.610,  
2   301.620, 301.630, 301.640, 301.660, 301.661, 306.400, 306.405,  
3   306.410, 306.420, 306.430, 306.440, 365.070, 365.120, 407.750,  
4   407.751, 407.752, 407.850, 407.860, 407.870, 407.890, 407.892,  
5   407.893, 454.516, 700.350, 700.355, 700.360, 700.365, 700.370,  
6   700.380 and 700.390, RSMo, are repealed and twenty-seven new  
7   sections enacted in lieu thereof, to be known as sections  
8   301.550, 301.560, 301.567, 301.600, 301.610, 301.620, 301.630,  
9   301.640, 301.660, 306.400, 306.405, 306.410, 306.420, 306.430,  
10   306.440, 365.070, 365.120, 407.850, 407.860, 407.870, 454.516,  
11   700.350, 700.355, 700.360, 700.365, 700.370 and 700.380, to read  
12   as follows:

13           301.550. 1. The definitions contained in section 301.010

1 shall apply to sections 301.550 to 301.573, and in addition as  
2 used in sections 301.550 to 301.573, the following terms mean:

3 (1) "Boat dealer", any natural person, partnership, or  
4 corporation who, for a commission or with an intent to make a  
5 profit or gain of money or other thing of value, sells, barter,  
6 exchanges, leases or rents with the option to purchase, offers,  
7 attempts to sell, or negotiates the sale of any vessel or vessel  
8 trailer, whether or not the vessel or vessel trailer is owned by  
9 such person. The sale of six or more vessels or vessel trailers  
10 or both in any calendar year shall be required as evidence that  
11 such person is eligible for licensure as a boat dealer under  
12 sections 301.550 to 301.573. The boat dealer shall demonstrate  
13 eligibility for renewal of his license by selling six or more  
14 vessels or vessel trailers or both in the prior calendar year  
15 while licensed as a boat dealer pursuant to sections 301.550 to  
16 301.573;

17 (2) "Boat manufacturer", any person engaged in the  
18 manufacturing, assembling or modification of new vessels or  
19 vessel trailers as a regular business, including a person,  
20 partnership or corporation which acts for and is under the  
21 control of a manufacturer or assembly in connection with the  
22 distribution of vessels or vessel trailers;

23 (3) "Department", the Missouri department of revenue;

24 (4) "Director", the director of the Missouri department of  
25 revenue;

26 (5) "Manufacturer", any person engaged in the  
27 manufacturing, assembling or modification of new motor vehicles  
28 or trailers as a regular business, including a person,

1 partnership or corporation which acts for and is under the  
2 control of a manufacturer or assembly in connection with the  
3 distribution of motor vehicles or accessories for motor vehicles;

4 (6) "Motor vehicle broker", a person who holds himself out  
5 through solicitation, advertisement, or otherwise as one who  
6 offers to arrange a transaction involving the retail sale of a  
7 motor vehicle, and who is not:

8 (a) A dealer, or any agent, or any employee of a dealer  
9 when acting on behalf of a dealer;

10 (b) A manufacturer, or any agent, or employee of a  
11 manufacturer when acting on behalf of a manufacturer;

12 (c) The owner of the vehicle involved in the transaction;  
13 or

14 (d) A public motor vehicle auction or wholesale motor  
15 vehicle auction where buyers are licensed dealers in this or any  
16 other jurisdiction;

17 (7) "Motor vehicle dealer" or "dealer", any person who, for  
18 commission or with an intent to make a profit or gain of money or  
19 other thing of value, sells, barter, exchanges, leases or rents  
20 with the option to purchase, or who offers or attempts to sell or  
21 negotiates the sale of motor vehicles or trailers whether or not  
22 the motor vehicles or trailers are owned by such person;  
23 provided, however, an individual auctioneer or auction conducted  
24 by an auctioneer licensed pursuant to chapter 343, RSMo, shall  
25 not be included within the definition of a motor vehicle dealer.  
26 The sale of six or more motor vehicles or trailers in any  
27 calendar year shall be required as evidence that such person is  
28 engaged in the motor vehicle business and is eligible for

1 licensure as a motor vehicle dealer under sections 301.550 to  
2 301.573;

3 (8) "New motor vehicle", any motor vehicle being  
4 transferred for the first time from a manufacturer, distributor  
5 or new vehicle dealer which has not been registered or titled in  
6 this state or any other state and which is offered for sale,  
7 barter or exchange by a dealer who is franchised to sell, barter  
8 or exchange that particular make of motor vehicle. The term "new  
9 motor vehicle" shall not include manufactured homes, as defined  
10 in section 700.010, RSMo;

11 (9) "New motor vehicle franchise dealer", any motor vehicle  
12 dealer who has been franchised to deal in a certain make of motor  
13 vehicle by the manufacturer or distributor of that make and motor  
14 vehicle and who may, in line with conducting his business as a  
15 franchise dealer, sell, barter or exchange used motor vehicles;

16 (10) "Person" includes an individual, a partnership,  
17 corporation, an unincorporated society or association, joint  
18 venture or any other entity;

19 (11) "Powersport dealer", any motor vehicle dealer who  
20 sells, either pursuant to a franchise agreement or otherwise,  
21 primarily motor vehicles including but not limited to  
22 motorcycles, all-terrain vehicles, and personal watercraft, as  
23 those terms are defined in this chapter and chapter 306, RSMo;

24 [(11)] (12) "Public motor vehicle auction", any person,  
25 firm or corporation who takes possession of a motor vehicle  
26 whether by consignment, bailment or any other arrangement, except  
27 by title, for the purpose of selling motor vehicles at a public  
28 auction by a licensed auctioneer;

1           [(12)]   (13)   "Storage lot", an area, within the same city  
2 or county where a dealer may store excess vehicle inventory;

3           [(13)]   (14)   "Used motor vehicle", any motor vehicle which  
4 is not a new motor vehicle, as defined in sections 301.550 to  
5 301.573, and which has been sold, bartered, exchanged or given  
6 away or which may have had a title issued in this state or any  
7 other state, or a motor vehicle so used as to be what is commonly  
8 known as a secondhand motor vehicle. In the event of an  
9 assignment of the statement of origin from an original franchise  
10 dealer to any individual or other motor vehicle dealer other than  
11 a new motor vehicle franchise dealer of the same make, the  
12 vehicle so assigned shall be deemed to be a used motor vehicle  
13 and a certificate of ownership shall be obtained in the  
14 assignee's name. The term "used motor vehicle" shall not include  
15 manufactured homes, as defined in section 700.010, RSMo;

16           [(14)]   (15)   "Used motor vehicle dealer", any motor vehicle  
17 dealer who is not a new motor vehicle franchise dealer;

18           [(15)]   (16)   "Vessel", every boat and watercraft defined as  
19 a vessel in section 306.010, RSMo;

20           [(16)]   (17)   "Vessel trailer", any trailer, as defined by  
21 section 301.010 which is designed and manufactured for the  
22 purposes of transporting vessels;

23           [(17)]   (18)   "Wholesale motor vehicle auction", any person,  
24 firm or corporation in the business of providing auction services  
25 solely in wholesale transactions at its established place of  
26 business in which the purchasers are motor vehicle dealers  
27 licensed by this or any other jurisdiction, and which neither  
28 buys, sells nor owns the motor vehicles it auctions in the

1 ordinary course of its business. Except as required by law with  
2 regard to the auction sale of a government owned motor vehicle, a  
3 wholesale motor vehicle auction shall not provide auction  
4 services in connection with the retail sale of a motor vehicle;

5 ~~[(18)]~~ (19) "Wholesale motor vehicle dealer", a motor  
6 vehicle dealer who sells motor vehicles only to other new motor  
7 vehicle franchise dealers or used motor vehicle dealers or via  
8 auctions limited to other dealers of any class.

9 2. For purposes of sections 301.550 to 301.573, neither the  
10 term "motor vehicle" nor the term "trailer" shall include  
11 manufactured homes, as defined in section 700.010, RSMo.

12 3. Dealers shall be divided into classes as follows:

- 13 (1) Boat dealers;
- 14 (2) Franchised new motor vehicle dealers;
- 15 (3) Used motor vehicle dealers;
- 16 (4) Wholesale motor vehicle dealers;
- 17 (5) Recreational motor vehicle dealers;
- 18 (6) Historic motor vehicle dealers;
- 19 (7) Classic motor vehicle dealers; and
- 20 (8) ~~[Motorcycle]~~ Powersport dealers.

21 301.560. 1. In addition to the application forms  
22 prescribed by the department, each applicant shall submit the  
23 following to the department:

24 (1) When the application is being made for licensure as a  
25 manufacturer, boat manufacturer, motor vehicle dealer, boat  
26 dealer, wholesale motor vehicle dealer, wholesale motor vehicle  
27 auction or a public motor vehicle auction, a certification by a  
28 uniformed member of the Missouri state highway patrol stationed

1 in the troop area in which the applicant's place of business is  
2 located; except, that in counties of the first classification,  
3 certification may be authorized by an officer of a metropolitan  
4 police department when the applicant's established place of  
5 business of distributing or selling motor vehicles or trailers is  
6 in the metropolitan area where the certifying metropolitan police  
7 officer is employed, that the applicant has a bona fide  
8 established place of business. A bona fide established place of  
9 business for any new motor vehicle franchise dealer or used motor  
10 vehicle dealer shall include a permanent enclosed building or  
11 structure, either owned in fee or leased and actually occupied as  
12 a place of business by the applicant for the selling, bartering,  
13 trading or exchanging of motor vehicles or trailers and wherein  
14 the public may contact the owner or operator at any reasonable  
15 time, and wherein shall be kept and maintained the books,  
16 records, files and other matters required and necessary to  
17 conduct the business. The applicant's place of business shall  
18 contain a working telephone which shall be maintained during the  
19 entire registration year. In order to qualify as a bona fide  
20 established place of business for all applicants licensed  
21 pursuant to this section there shall be an exterior sign  
22 displayed carrying the name [and class] of the business  
23 [conducted] set forth in letters at least six inches in height  
24 and clearly visible to the public and there shall be an area or  
25 lot which shall not be a public street on which one or more  
26 vehicles may be displayed, except when licensure is for a  
27 wholesale motor vehicle dealer, a lot and sign shall not be  
28 required. The sign shall contain the name of the dealership by

1 which it is known to the public through advertising or otherwise,  
2 which need not be identical to the name appearing on the  
3 dealership's license so long as such name is registered as a  
4 fictitious name with the secretary of state, has been approved by  
5 its line-make manufacturer in writing in the case of a new motor  
6 vehicle franchise dealer and a copy of such fictitious name  
7 registration has been provided to the department. When licensure  
8 is for a boat dealer, a lot shall not be required. In the case  
9 of new motor vehicle franchise dealers, the bona fide established  
10 place of business shall include adequate facilities, tools and  
11 personnel necessary to properly service and repair motor vehicles  
12 and trailers under their franchisor's warranty;

13 (2) If the application is for licensure as a manufacturer,  
14 boat manufacturer, new motor vehicle franchise dealer, used motor  
15 vehicle dealer, wholesale motor vehicle auction, boat dealer or a  
16 public motor vehicle auction, a photograph, not to exceed eight  
17 inches by ten inches, showing the business building and sign  
18 shall accompany the initial application. In the case of a  
19 manufacturer, new motor vehicle franchise dealer or used motor  
20 vehicle dealer, the photograph shall include the lot of the  
21 business. A new motor vehicle franchise dealer applicant who has  
22 purchased a currently licensed new motor vehicle franchised  
23 dealership shall be allowed to submit a photograph of the  
24 existing dealership building, lot and sign but shall be required  
25 to submit a new photograph upon the installation of the new  
26 dealership sign as required by sections 301.550 to 301.573.  
27 Applicants shall not be required to submit a photograph annually  
28 unless the business has moved from its previously licensed



1 location, or unless the name of the business or address has  
2 changed, or unless the class of business has changed;

3 (3) If the application is for licensure as a wholesale  
4 motor vehicle dealer or as a boat dealer, the application shall  
5 contain the business address, not a post office box, and  
6 telephone number of the place where the books, records, files and  
7 other matters required and necessary to conduct the business are  
8 located and where the same may be inspected during normal daytime  
9 business hours. Wholesale motor vehicle dealers and boat dealers  
10 shall file reports as required of new franchised motor vehicle  
11 dealers and used motor vehicle dealers;

12 (4) Every applicant as a new motor vehicle franchise  
13 dealer, a used motor vehicle dealer, a wholesale motor vehicle  
14 dealer, or boat dealer shall furnish with the application a  
15 corporate surety bond or an irrevocable letter of credit as  
16 defined in section 400.5-103, RSMo, issued by any state or  
17 federal financial institution in the penal sum of twenty-five  
18 thousand dollars on a form approved by the department. The bond  
19 or irrevocable letter of credit shall be conditioned upon the  
20 dealer complying with the provisions of the statutes applicable  
21 to new motor vehicle franchise dealers, used motor vehicle  
22 dealers, wholesale motor vehicle dealers and boat dealers, and  
23 the bond shall be an indemnity for any loss sustained by reason  
24 of the acts of the person bonded when such acts constitute  
25 grounds for the suspension or revocation of the dealer's license.  
26 The bond shall be executed in the name of the state of Missouri  
27 for the benefit of all aggrieved parties or the irrevocable  
28 letter of credit shall name the state of Missouri as the

1 beneficiary; except, that the aggregate liability of the surety  
2 or financial institution to the aggrieved parties shall, in no  
3 event, exceed the amount of the bond or irrevocable letter of  
4 credit. The proceeds of the bond or irrevocable letter of credit  
5 shall be paid upon receipt by the department of a final judgment  
6 from a Missouri court of competent jurisdiction against the  
7 principal and in favor of an aggrieved party;

8 (5) Payment of all necessary license fees as established by  
9 the department. In establishing the amount of the annual license  
10 fees, the department shall, as near as possible, produce  
11 sufficient total income to offset operational expenses of the  
12 department relating to the administration of sections 301.550 to  
13 301.573. All fees payable pursuant to the provisions of sections  
14 301.550 to 301.573, other than those fees collected for the  
15 issuance of dealer plates or certificates of number collected  
16 pursuant to subsection 6 of this section, shall be collected by  
17 the department for deposit in the state treasury to the credit of  
18 the "Motor Vehicle Commission Fund", which is hereby created.  
19 The motor vehicle commission fund shall be administered by the  
20 Missouri department of revenue. The provisions of section  
21 33.080, RSMo, to the contrary notwithstanding, money in such fund  
22 shall not be transferred and placed to the credit of the general  
23 revenue fund until the amount in the motor vehicle commission  
24 fund at the end of the biennium exceeds two times the amount of  
25 the appropriation from such fund for the preceding fiscal year  
26 or, if the department requires permit renewal less frequently  
27 than yearly, then three times the appropriation from such fund  
28 for the preceding fiscal year. The amount, if any, in the fund

1     which shall lapse is that amount in the fund which exceeds the  
2     multiple of the appropriation from such fund for the preceding  
3     fiscal year.

4             2.   In the event a new manufacturer, boat manufacturer,  
5     motor vehicle dealer, wholesale motor vehicle dealer, boat  
6     dealer, wholesale motor vehicle auction or a public motor vehicle  
7     auction submits an application for a license for a new business  
8     and the applicant has complied with all the provisions of this  
9     section, the department shall make a decision to grant or deny  
10    the license to the applicant within eight working hours after  
11    receipt of the dealer's application, notwithstanding any rule of  
12    the department.

13            3.   Upon the initial issuance of a license by the  
14    department, the department shall assign a distinctive dealer  
15    license number or certificate of number to the applicant and the  
16    department shall issue one number plate or certificate bearing  
17    the distinctive dealer license number or certificate of number  
18    within eight working hours after presentment of the application.  
19    Upon the renewal of a boat dealer, boat manufacturer,  
20    manufacturer, motor vehicle dealer, public motor vehicle auction,  
21    wholesale motor vehicle dealer or wholesale motor vehicle  
22    auction, the department shall issue the distinctive dealer  
23    license number or certificate of number as quickly as possible.  
24    The issuance of such distinctive dealer license number or  
25    certificate of number shall be in lieu of registering each motor  
26    vehicle, trailer, vessel or vessel trailer dealt with by a boat  
27    dealer, boat manufacturer, manufacturer, public motor vehicle  
28    auction, wholesale motor vehicle dealer, wholesale motor vehicle

1 auction or motor vehicle dealer.

2 4. Notwithstanding any other provision of the law to the  
3 contrary, the department shall assign the following distinctive  
4 dealer license numbers to:

5 New motor vehicle franchise dealers ..... D-0 through D-999

6 New motor vehicle franchise and commercial

7 motor vehicle dealers ..... D-1000 through D-1999

8 Used motor vehicle dealers ..... D-2000 through D-5399

9 and D-6000 through D-9999

10 Wholesale motor vehicle dealers ..... W-1000 through W-1999

11 Wholesale motor vehicle auctions ..... W-2000 through W-2999

12 Trailer dealers ..... T-0 through T-9999

13 Motor vehicle and trailer manufacturers ..... M-0 through M-9999

14 Motorcycle dealers ..... D-5400 through D-5999

15 Public motor vehicle auctions ..... A-1000 through A-1999

16 Boat dealers and boat manufacturers ..... B-0 through B-9999

17 5. Upon the sale of a currently licensed new motor vehicle  
18 franchise dealership the department shall, upon request,  
19 authorize the new approved dealer applicant to retain the selling  
20 dealer's license number and shall cause the new dealer's records  
21 to indicate such transfer.

22 6. In the case of manufacturers and motor vehicle dealers,  
23 the department shall also issue one number plate bearing the  
24 distinctive dealer license number to the applicant upon payment  
25 by the manufacturer or dealer of a fifty-dollar fee. Such  
26 license plates shall be made with fully reflective material with  
27 a common color scheme and design, shall be clearly visible at  
28 night, and shall be aesthetically attractive, as prescribed by

1 section 301.130. Boat dealers and boat manufacturers shall be  
2 entitled to one certificate of number bearing such number upon  
3 the payment of a fifty-dollar fee. As many additional number  
4 plates as may be desired by manufacturers and motor vehicle  
5 dealers and as many additional certificates of number as may be  
6 desired by boat dealers and boat manufacturers may be obtained  
7 upon payment of a fee of ten dollars and fifty cents for each  
8 additional plate or certificate. A motor vehicle dealer, boat  
9 dealer, manufacturer, boat manufacturer, public motor vehicle  
10 auction, wholesale motor vehicle dealer or wholesale motor  
11 vehicle auction obtaining a dealer license plate or certificate  
12 of number or additional license plate or additional certificate  
13 of number, throughout the calendar year, shall be required to pay  
14 a fee for such license plates or certificates of number computed  
15 on the basis of one-twelfth of the full fee prescribed for the  
16 original and duplicate number plates or certificates of number  
17 for such dealers' licenses, multiplied by the number of months  
18 remaining in the licensing period for which the dealer or  
19 manufacturers shall be required to be licensed. In the event of  
20 a renewing dealer, the fee due at the time of renewal shall not  
21 be prorated.

22 7. The plates issued pursuant to subsection 3 or 6 of this  
23 section may be displayed on any motor vehicle owned and held for  
24 resale by the motor vehicle dealer or manufacturer, and used by a  
25 customer who is test driving the motor vehicle, or is used by an  
26 employee or officer, but shall not be displayed on any motor  
27 vehicle or trailer hired or loaned to others or upon any  
28 regularly used service or wrecker vehicle. Motor vehicle dealers

1 may display their dealer plates on a tractor, truck or trailer to  
2 demonstrate a vehicle under a loaded condition.

3 8. The certificates of number issued pursuant to subsection  
4 3 or 6 of this section may be displayed on any vessel or vessel  
5 trailer owned and held for resale by a boat manufacturer or a  
6 boat dealer, and used by a customer who is test driving the  
7 vessel or vessel trailer, or is used by an employee or officer,  
8 but shall not be displayed on any vessel or vessel trailer hired  
9 or loaned to others or upon any regularly used service vessel or  
10 vessel trailer. Boat dealers and manufacturers may display their  
11 certificate of number on a vessel or vessel trailer which is  
12 being transported to an exhibit or show.

13 301.567. 1. For purposes of this section, a violation of  
14 any of the following advertising standards shall be deemed an  
15 attempt by the advertising dealer to obtain a fee or other  
16 compensation by fraud, deception or misrepresentation in  
17 violation of section 301.562:

18 (1) A motor vehicle shall not be advertised as new, either  
19 by express terms or implication, unless it is a "new motor  
20 vehicle" as defined in section 301.550;

21 (2) When advertising any motor vehicle which is not a new  
22 motor vehicle, such advertisement must expressly identify that  
23 the motor vehicle is a used motor vehicle by express use of the  
24 term "used", or by such other term as is commonly understood to  
25 mean that the vehicle is used;

26 (3) Any terms, conditions, and disclaimers relating to the  
27 advertised motor vehicle's price or financing options shall be  
28 stated clearly and conspicuously. An asterisk or other reference

1 symbol may be used to point to a disclaimer or other information,  
2 but not be used as a means of contradicting or changing the  
3 meaning of an advertised statement;

4 (4) The expiration date, if any, of an advertised sale or  
5 vehicle price shall be clearly and conspicuously disclosed. In  
6 the absence of such disclosure, the advertised sale or vehicle  
7 price shall be deemed effective so long as such vehicles remain  
8 in the advertising dealership's inventory;

9 (5) The terms "list price", "sticker price", or "suggested  
10 retail price", shall be used only in reference to the  
11 manufacturer's suggested retail price for new motor vehicles,  
12 and, if used, shall be accompanied by a clear and conspicuous  
13 disclosure that such terms represent the "manufacturer's  
14 suggested retail price" of the advertised vehicle;

15 (6) Terms such as "at cost", "\$..... above cost", shall  
16 not be used in advertisements because of the difficulty in  
17 determining a dealer's actual net cost at the time of the sale.  
18 Terms such as "invoice price", "\$..... over invoice", may be  
19 used, provided that the invoice referred to is the manufacturer's  
20 factory invoice for a new motor vehicle and the invoice is  
21 available for customer inspection. For purposes of this section,  
22 "manufacturer's factory invoice" means that document supplied by  
23 the manufacturer to the dealer listing the manufacturer's charge  
24 to the dealer before any deduction for holdback, group  
25 advertising, factory incentives or rebates, or any governmental  
26 charges;

27 (7) When the price or financing terms of a motor vehicle

1 are advertised, the vehicle shall be fully identified as to year,  
2 make, and model. In addition, in advertisements placed by  
3 individual dealers and not line-make marketing groups, the  
4 advertised price or credit terms shall include all charges which  
5 the buyer must pay to the dealer, except buyer-selected options  
6 and state and local taxes. If a processing fee or freight or  
7 destination charges are not included in the advertised price, the  
8 amount of any such processing fee and freight or destination  
9 charge must be clearly and conspicuously disclosed within the  
10 advertisement;

11 (8) Advertisements which offer to match or better any  
12 competitors' prices shall not be used;

13 (9) Advertisements of "dealer rebates" shall not be used,  
14 however, this shall not be deemed to prohibit the advertising of  
15 manufacturer rebates, so long as all material terms of such  
16 rebates are clearly and conspicuously disclosed;

17 (10) "Free", "at no cost", shall not be used if any  
18 purchase is required to qualify for the "free" item, merchandise,  
19 or service;

20 (11) "Bait advertising", in which an advertiser may have no  
21 intention to sell at the prices or terms advertised, shall not be  
22 used. Bait advertising shall include, but not be limited to, the  
23 following examples:

24 (a) Not having available for sale the advertised motor  
25 vehicles at the advertised prices. If a specific vehicle is  
26 advertised, the dealer shall be in possession of a reasonable  
27 supply of such vehicles, and they shall be available at the



1 advertised price. If the advertised vehicle is available only in  
2 limited numbers or only by order, such limitations shall be  
3 stated in the advertisement;

4 (b) Advertising a motor vehicle at a specified price,  
5 including such terms as "as low as \$.....", but having  
6 available for sale only vehicles equipped with dealer added cost  
7 options which increase the selling price above the advertised  
8 price;

9 (12) Any reference to monthly payments, down payments, or  
10 other reference to financing or leasing information shall be  
11 accompanied by a clear and conspicuous disclosure of the  
12 following:

13 (a) Whether the payment or other information relates to a  
14 financing or a lease transaction;

15 (b) If the payment or other information relates to a  
16 financing transaction, the minimum down payment, annual  
17 percentage interest rate, and number of payments necessary to  
18 obtain the advertised payment amount must be disclosed, in  
19 addition to any special qualifications required for obtaining the  
20 advertised terms including, but not limited to, "first-time  
21 buyer" discounts, "college graduate" discounts, and a statement  
22 concerning whether the advertised terms are subject to credit  
23 approval;

24 (c) If the payment or other information relates to a lease  
25 transaction, the total amount due from the purchaser at signing  
26 with such costs broken down and identified by category, lease  
27 term expressed in number of months, whether the lease is closed-

1 end or open-end, and total cost to the lessee over the lease term  
2 in dollars;

3 (13) Any advertisement which states or implies that the  
4 advertising dealer has a special arrangement or relationship with  
5 the distributor or manufacturer, as compared to similarly  
6 situated dealers, shall not be used;

7 (14) Any advertisement which, in the circumstances under  
8 which it is made or applied, is false, deceptive, or misleading  
9 shall not be used;

10 (15) No abbreviations for industry words or phrases shall  
11 be used in any advertisement unless such abbreviations are  
12 accompanied by the fully spelled or spoken words or phrases.

13 2. The requirements of this section shall apply regardless  
14 of whether a dealer advertises by means of print, broadcast, or  
15 electronic media, or direct mail.

16 3. Dealers shall clearly and conspicuously identify  
17 themselves in each advertisement by use of a dealership name  
18 which complies with subsection 6 of section 301.560.

19 301.600. 1. Unless excepted by section 301.650, a lien or  
20 encumbrance on a motor vehicle or trailer, as defined by section  
21 301.010, is not valid against subsequent transferees or  
22 lienholders of the motor vehicle or trailer who took without  
23 knowledge of the lien or encumbrance unless the lien or  
24 encumbrance is perfected as provided in sections 301.600 to  
25 301.660.

26 2. Subject to the provisions of section 301.620, a lien or  
27 encumbrance on a motor vehicle or trailer is perfected by the

1 delivery to the director of revenue of a notice of a lien in a  
2 format as prescribed by the director of revenue. To perfect a  
3 subordinate lien, the notice of lien must be accompanied by the  
4 documents required to be delivered to the director pursuant to  
5 subdivision (3) of section 301.620. The notice of lien is  
6 perfected as of the time of its creation if the delivery of such  
7 notice to the director of revenue is completed within thirty days  
8 thereafter, otherwise as of the time of the delivery. A notice  
9 of lien shall contain the name and address of the owner of the  
10 motor vehicle or trailer and the secured party, a description of  
11 the motor vehicle or trailer, including the vehicle  
12 identification number, and such other information as the  
13 department of revenue may prescribe. A notice of lien  
14 substantially complying with the requirements of this section is  
15 effective even though it contains minor errors which are not  
16 seriously misleading. Provided the lienholder submits complete  
17 and legible documents, the director of revenue shall mail  
18 confirmation or electronically confirm receipt of such notice of  
19 lien to the lienholder as soon as possible, but no later than  
20 fifteen business days after the filing of the notice of lien.

21 3. Liens may secure future advances. The future advances  
22 may be evidenced by one or more notes or other documents  
23 evidencing indebtedness and shall not be required to be executed  
24 or delivered prior to the date of the future advance lien  
25 securing them. The fact that a lien may secure future advances  
26 shall be clearly stated on the security agreement and noted as  
27 "subject to future advances" on the notice of lien and noted on

1 the certificate of ownership if the motor vehicle or trailer is  
2 subject to only one notice of lien. To secure future advances  
3 when an existing lien on a motor vehicle or trailer does not  
4 secure future advances, the lienholder shall file a notice of  
5 lien reflecting the lien to secure future advances. A lien to  
6 secure future advances is perfected in the same time and manner  
7 as any other lien, except as follows: proof of the lien for  
8 future advances is maintained by the department of revenue;  
9 however, there shall be additional proof of such lien when the  
10 notice of lien reflects such lien for future advances, is  
11 receipted for by the department of revenue, and returned to the  
12 lienholder.

13 4. If a motor vehicle or trailer is subject to a lien or  
14 encumbrance when brought into this state, the validity and effect  
15 of the lien or encumbrance is determined by the law of the  
16 jurisdiction where the motor vehicle or trailer was when the lien  
17 or encumbrance attached, subject to the following:

18 (1) If the parties understood at the time the lien or  
19 encumbrance attached that the motor vehicle or trailer would be  
20 kept in this state and it was brought into this state within  
21 thirty days thereafter for purposes other than transportation  
22 through this state, the validity and effect of the lien or  
23 encumbrance in this state is determined by the law of this state;

24 (2) If the lien or encumbrance was perfected pursuant to  
25 the law of the jurisdiction where the motor vehicle or trailer  
26 was when the lien or encumbrance attached, the following rules  
27 apply:

1           (a) If the name of the lienholder is shown on an existing  
2 certificate of title or ownership issued by that jurisdiction,  
3 the lien or encumbrance continues perfected in this state;

4           (b) If the name of the lienholder is not shown on an  
5 existing certificate of title or ownership issued by that  
6 jurisdiction, the lien or encumbrance continues perfected in this  
7 state three months after a first certificate of ownership of the  
8 motor vehicle or trailer is issued in this state, and also  
9 thereafter if, within the three-month period, it is perfected in  
10 this state. The lien or encumbrance may also be perfected in  
11 this state after the expiration of the three-month period; in  
12 that case perfection dates from the time of perfection in this  
13 state;

14           (3) If the lien or encumbrance was not perfected pursuant  
15 to the law of the jurisdiction where the motor vehicle or trailer  
16 was when the lien or encumbrance attached, it may be perfected in  
17 this state; in that case perfection dates from the time of  
18 perfection in this state;

19           (4) A lien or encumbrance may be perfected pursuant to  
20 paragraph (b) of subdivision (2) or subdivision (3) of this  
21 subsection either as provided in subsection 2 or 3 of this  
22 section or by the lienholder delivering to the director of  
23 revenue a notice of lien or encumbrance in the form the director  
24 of revenue prescribes and the required fee.

25           5. By rules and regulations, the director of revenue shall  
26 establish a security procedure for the purpose of verifying that  
27 an electronic notice of lien or notice of satisfaction of a lien

1 on a motor vehicle or trailer given as permitted in sections  
2 301.600 to 301.640 is that of the lienholder, verifying that an  
3 electronic notice of confirmation of ownership and perfection of  
4 a lien given as required in section 301.610 is that of the  
5 director of revenue, and detecting error in the transmission or  
6 the content of any such notice. A security procedure may require  
7 the use of algorithms or other codes, identifying words or  
8 numbers, encryption, callback procedures or similar security  
9 devices. Comparison of a signature on a communication with an  
10 authorized specimen signature shall not by itself be a security  
11 procedure.

12 301.610. 1. A certificate of ownership of a motor vehicle  
13 or trailer when issued by the director of revenue shall be mailed  
14 [or confirmation of such ownership shall be electronically  
15 transmitted or mailed to the first lienholder named in such  
16 certificate; and if no lienholder is shown, then the certificate  
17 of ownership shall be mailed to the] owner shown on the face of  
18 the title of such motor vehicle or trailer. If the certificate  
19 of ownership is being held electronically by the director of  
20 revenue at the election of a lienholder, then confirmation of  
21 such ownership shall be electronically transmitted or mailed to  
22 the first lienholder named in such certificate.

23 2. A lienholder may elect that the director of revenue  
24 retain possession of an electronic certificate of ownership, and  
25 the director shall issue regulations to cover the procedure by  
26 which such election is made. Each such certificate of ownership

1 shall require a separate election, unless the director provides  
2 otherwise by regulation. A subordinate lienholder shall be bound  
3 by the election of the superior lienholder with respect to the  
4 certificate involved.

5 3. "Electronic certificate of ownership" means any  
6 electronic record of ownership, including a lien or liens that  
7 may be recorded.

8 301.620. If an owner creates a lien or encumbrance on a  
9 motor vehicle or trailer:

10 (1) The owner shall immediately execute the application, in  
11 the space provided therefor on the certificate of ownership or on  
12 a separate form the director of revenue prescribes, to name the  
13 lienholder on the certificate, showing the name and address of  
14 the lienholder and the date of the lienholder's security  
15 agreement, and cause the certificate, application and the  
16 required fee to be delivered to the director of revenue;

17 (2) The lienholder or an authorized agent licensed pursuant  
18 to sections 301.112 to 301.119 shall deliver to the director of  
19 revenue a notice of lien as prescribed by the director  
20 accompanied by all other necessary documentation to perfect a  
21 lien as provided in section 301.600;

22 (3) [Upon request of the owner or subordinate lienholder, a  
23 lienholder in possession of the certificate of ownership shall  
24 either mail or deliver the certificate to the subordinate  
25 lienholder for delivery to the director of revenue or, upon  
26 receipt from the subordinate lienholder of the owner's  
27 application, the certificate and the required fee, mail or

1 deliver them to the director of revenue with the certificate.  
2 The delivery of the certificate does not affect the rights of the  
3 first lienholder under the security agreement;] To perfect a lien  
4 for a subordinate lienholder when a transfer of ownership occurs,  
5 the subordinate lienholder shall either mail or deliver or cause  
6 to be mailed or delivered, a completed notice of lien to the  
7 department of revenue, accompanied by authorization from the  
8 first lienholder. The owner shall ensure the subordinate  
9 lienholder is recorded on the application for title at the time  
10 the application is made to the department of revenue. To perfect  
11 a lien for a subordinate lienholder when there is no transfer of  
12 ownership, the owner or lienholder in possession of the  
13 certificate, shall either mail or deliver or cause to be mailed  
14 or delivered, the owner's application for title, certificate,  
15 notice of lien, authorization from the first lienholder and title  
16 fee to the department of revenue. The delivery of the  
17 certificate and executing a notice of authorization to add a  
18 subordinate lien does not affect the rights of the first  
19 lienholder under the security agreement;

20 (4) Upon receipt of the [certificate, application and the  
21 required fee] documents and fee required in subdivision (3) of  
22 this section, the director of revenue shall issue a new  
23 certificate of ownership containing the name and address of the  
24 new lienholder, and shall mail the certificate as prescribed in  
25 section 301.610 or if a lienholder who has elected for the  
26 director of revenue to retain possession of an electronic



1 certificate of ownership the lienholder shall either mail or  
2 deliver to the director a notice of authorization for the  
3 director to add a subordinate lienholder to the existing  
4 certificate. Upon receipt of such authorization [and], a notice  
5 of lien and required documents and title fee, if applicable, from  
6 a subordinate lienholder, the director shall add the subordinate  
7 lienholder to the certificate of ownership being electronically  
8 retained by the director and provide confirmation of the addition  
9 to both lienholders;

10 (5) Failure of the owner to name the lienholder in the  
11 application for title, as provided in this section is a class A  
12 misdemeanor.

13 301.630. 1. A lienholder may assign, absolutely or  
14 otherwise, his or her lien or encumbrance in the motor vehicle or  
15 trailer to a person other than the owner without affecting the  
16 interest of the owner or the validity or effect of the lien or  
17 encumbrance, but any person without notice of the assignment is  
18 protected in dealing with the lienholder as the holder of the  
19 lien or encumbrance and the lienholder remains liable for any  
20 obligations as lienholder until the assignee is named as  
21 lienholder on the certificate.

22 2. The assignee may, but need not, to perfect the  
23 assignment, have the certificate of ownership endorsed or issued  
24 with the assignee named as lienholder, upon delivering to the  
25 director of revenue the certificate and an assignment by the  
26 lienholder named in the certificate in the form the director of  
27 revenue prescribes the application and the required fee.

1           3. If the certificate of ownership is being electronically  
2 retained by the director of revenue, the original lienholder may  
3 mail or deliver a notice of assignment of a lien to the director  
4 in a form prescribed by the director. Upon receipt of notice of  
5 assignment the director shall update the electronic certificate  
6 of ownership to reflect the assignment of the lien and  
7 lienholder.

8           301.640. 1. Upon the satisfaction of any lien or  
9 encumbrance of a motor vehicle or trailer [for which the  
10 certificate of ownership is in possession of the lienholder], the  
11 lienholder shall, within ten business days release the lien or  
12 encumbrance on the certificate or a separate document, and mail  
13 or deliver the certificate [to the next lienholder named therein,  
14 or, if none,] or a separate document to the owner or any person  
15 who delivers to the lienholder an authorization from the owner to  
16 receive the certificate or such documentation. The release on  
17 the certificate or separate document shall be notarized. Each  
18 perfected subordinate lienholder if any, shall release such lien  
19 or encumbrance as provided in this section for the first  
20 lienholder. The owner may cause the certificate to be mailed or  
21 delivered to the director of revenue, who shall issue a new  
22 certificate of ownership upon application and payment of the  
23 required fee. A lien or encumbrance shall be satisfied for the  
24 purposes of this section when a lienholder receives payment in  
25 full in the form of certified funds, as defined in section  
26 381.410, RSMo.

1           2. If the electronic certificate of ownership is in the  
2 possession of the director of revenue, the lienholder shall  
3 notify the director within ten business days of any release of a  
4 lien and provide the director with the most current address of  
5 the owner. The director shall note such release on the  
6 electronic certificate and if no other lien exists the director  
7 shall mail or deliver the certificate free of any lien to the  
8 owner.

9           3. [Upon the satisfaction of any lien or encumbrance in a  
10 motor vehicle or trailer for which a certificate is in possession  
11 of a prior lienholder, the lienholder whose lien or encumbrance  
12 is satisfied shall within ten business days release the lien or  
13 encumbrance on the certificate and deliver the certificate to the  
14 owner or any person who delivers to the lienholder an  
15 authorization from the owner to receive it. The lienholder in  
16 possession of the certificate shall at the request of the owner  
17 and upon surrender of the certificate of title by the owner and  
18 receipt of the required fee, either mail or deliver the  
19 certificate of ownership to the director of revenue, or deliver  
20 the certificate to the owner, or the person authorized by the  
21 owner, for delivery to the director of revenue, who shall issue a  
22 new certificate.

23           4.] If the purchase price of a motor vehicle or trailer did  
24 not exceed six thousand dollars at the time of purchase, a lien  
25 or encumbrance which was not perfected by a motor vehicle  
26 financing corporation whose net worth exceeds one hundred million

1 dollars, or a depository institution, shall be considered  
2 satisfied within six years from the date the lien or encumbrance  
3 was originally perfected unless a new lien or encumbrance has  
4 been perfected as provided in section 301.600. This subsection  
5 does not apply to motor vehicles or trailers for which the  
6 certificate of ownership has recorded in the second lienholder  
7 portion the words "subject to future advances".

8 [5.] 4. Any lienholder who fails to comply with subsection  
9 1[, ] or 2 [or 3] of this section shall pay to the person or  
10 persons satisfying the lien or encumbrance twenty-five dollars  
11 for the first ten business days after expiration of the time  
12 period prescribed in subsection 1[, ] or 2 [or 3] of this section,  
13 and such payment shall double for each ten days thereafter in  
14 which there is continued noncompliance, up to a maximum of five  
15 hundred dollars for each lien. If delivery of the certificate or  
16 other lien release is made by mail, the delivery date is the date  
17 of the postmark for purposes of this subsection.

18 5. Any person who knowingly and intentionally sends in a  
19 separate document releasing a lien of another without authority  
20 to do so shall be guilty of a class C felony.

21 301.660. All transactions involving liens or encumbrances  
22 on motor vehicles or trailers entered into before [July 1, 1991]  
23 July 1, 2003, and the rights, duties and interests flowing from  
24 them remain valid thereafter and may be terminated, completed,  
25 consummated or enforced as required or permitted by any statute  
26 or other law amended or repealed by sections 301.600 to 301.660

1 as though the repeal or amendment had not occurred.

2 306.400. 1. As used in sections 306.400 to 306.440, the  
3 terms "motorboat", "vessel", and "watercraft" shall have the same  
4 meanings given them in section 306.010, and the term "outboard  
5 motor" shall include outboard motors governed by section 306.530.

6 2. Unless excepted by section 306.425, a lien or  
7 encumbrance on an outboard motor, motorboat, vessel, or  
8 watercraft shall not be valid against subsequent transferees or  
9 lienholders of the outboard motor, motorboat, vessel or  
10 watercraft, who took without knowledge of the lien or encumbrance  
11 unless the lien or encumbrance is perfected as provided in  
12 sections 306.400 to 306.430.

13 3. A lien or encumbrance on an outboard motor, motorboat,  
14 vessel or watercraft is perfected by the delivery to the director  
15 of revenue of a notice of lien in a format as prescribed by the  
16 director. Such lien or encumbrance shall be perfected as of the  
17 time of its creation if the delivery of the items required in  
18 this subsection to the director of revenue is completed within  
19 thirty days thereafter, otherwise such lien or encumbrance shall  
20 be perfected as of the time of the delivery. A notice of lien  
21 shall contain the name and address of the owner of the outboard  
22 motor, motorboat, vessel or watercraft and the secured party, a  
23 description of the outboard motor, motorboat, vessel or  
24 watercraft motor, including any identification number, and such  
25 other information as the department of revenue may prescribe. A  
26 notice of lien substantially complying with the requirements of  
27 this section is effective even though it contains minor errors

1    which are not seriously misleading. Provided the lienholder  
2    submits complete and legible documents, the director of revenue  
3    shall mail confirmation or electronically confirm receipt of each  
4    notice of lien to the lienholder as soon as possible, but no  
5    later than fifteen business days after the filing of the notice  
6    of lien.

7           4. Liens may secure future advances. The future advances  
8    may be evidenced by one or more notes or other documents  
9    evidencing indebtedness and shall not be required to be executed  
10   or delivered prior to the date of the future advance lien  
11   securing them. The fact that a lien may secure future advances  
12   shall be clearly stated on the security agreement and noted as  
13   "subject to future advances" in the second lienholder's portion  
14   of the notice of lien. To secure future advances when an  
15   existing lien on an outboard motor, motorboat, vessel or  
16   watercraft does not secure future advances, the lienholder shall  
17   file a notice of lien reflecting the lien to secure future  
18   advances. A lien to secure future advances is perfected in the  
19   same time and manner as any other lien, except as follows. Proof  
20   of the lien for future advances is maintained by the department  
21   of revenue; however, there shall be additional proof of such lien  
22   when the notice of lien reflects such lien for future advances,  
23   is receipted for by the department of revenue, and returned to  
24   the lienholder.

25           5. Whether an outboard motor, motorboat, vessel, or  
26   watercraft is subject to a lien or encumbrance shall be  
27   determined by the laws of the jurisdiction where the outboard

1 motor, motorboat, vessel, or watercraft was when the lien or  
2 encumbrance attached, subject to the following:

3 (1) If the parties understood at the time the lien or  
4 encumbrances attached that the outboard motor, motorboat, vessel,  
5 or watercraft would be kept in this state and it is brought into  
6 this state within thirty days thereafter for purposes other than  
7 transportation through this state, the validity and effect of the  
8 lien or encumbrance in this state shall be determined by the laws  
9 of this state;

10 (2) If the lien or encumbrance was perfected pursuant to  
11 the laws of the jurisdiction where the outboard motor, motorboat,  
12 vessel, or watercraft was when the lien or encumbrance attached,  
13 the following rules apply:

14 (a) If the name of the lienholder is shown on an existing  
15 certificate of title or ownership issued by that jurisdiction,  
16 his or her lien or encumbrance continues perfected in this state;

17 (b) If the name of the lienholder is not shown on an  
18 existing certificate of title or ownership issued by the  
19 jurisdiction, the lien or encumbrance continues perfected in this  
20 state for three months after the first certificate of title of  
21 the outboard motor, motorboat, vessel, or watercraft is issued in  
22 this state, and also thereafter if, within the three-month  
23 period, it is perfected in this state. The lien or encumbrance  
24 may also be perfected in this state after the expiration of the  
25 three-month period, in which case perfection dates from the time  
26 of perfection in this state;

27 (3) If the lien or encumbrance was not perfected pursuant

1 to the laws of the jurisdiction where the outboard motor,  
2 motorboat, vessel, or watercraft was when the lien or encumbrance  
3 attached, it may be perfected in this state, in which case  
4 perfection dates from the time of perfection in this state;

5 (4) A lien or encumbrance may be perfected pursuant to  
6 paragraph (b) of subdivision (2) or subdivision (3) of this  
7 subsection in the same manner as provided in subsection 3 of this  
8 section.

9 6. The director of revenue shall by rules and regulations  
10 establish a security procedure to verify that an electronic  
11 notice or lien or notice of satisfaction of a lien on an outboard  
12 motor, motorboat, vessel or watercraft given pursuant to sections  
13 306.400 to 306.440 is that of the lienholder, to verify that an  
14 electronic notice of confirmation of ownership and perfection of  
15 a lien given pursuant to section 306.410 is that of the director  
16 of revenue and to detect error in the transmission or the content  
17 of any such notice. Such a security procedure may require the  
18 use of algorithms or other codes, identifying words or numbers,  
19 encryption, callback procedures or similar security devices.  
20 Comparison of a signature on a communication with an authorized  
21 specimen signature shall not by itself constitute a security  
22 procedure.

23 306.405. 1. All certificates of title of an outboard  
24 motor, motorboat, vessel, or watercraft issued by the director of  
25 revenue shall be mailed [or confirmation of such ownership shall  
26 be electronically transmitted or mailed to the first lienholder  
27 named in such certificate or, if no lienholder is named,] to the



1 owner named therein. If the certificate of ownership is being  
2 held electronically by the director of revenue at the election of  
3 a lienholder, then confirmation of such ownership shall be  
4 electronically transmitted or mailed to the first lienholder  
5 named in such certificate.

6 2. A lienholder may elect to have the director of revenue  
7 retain possession of an electronic certificate of title and the  
8 director shall issue regulations to govern the procedure for  
9 making such an election. Each such certificate of title shall  
10 require a separate election unless the director provides  
11 otherwise by regulation. A subordinate lienholder shall be bound  
12 by the election of the superior lienholder with respect to the  
13 certificate involved.

14 3. "Electronic certificate of title" means any electronic  
15 record of ownership, including liens that may be recorded.

16 306.410. If an owner creates a lien or encumbrance on an  
17 outboard motor, motorboat, vessel, or watercraft:

18 (1) The owner shall immediately execute the application,  
19 either in the space provided therefor on the certificate of title  
20 or on a separate form the director of revenue prescribes, to name  
21 the lienholder on the certificate of title, showing the name and  
22 address of the lienholder and the date of his or her security  
23 agreement, and shall cause the certificate of title, the  
24 application and the required fee to be mailed or delivered to the  
25 director of revenue. Failure of the owner to do so is a class A  
26 misdemeanor;

27 (2) The lienholder or an authorized agent licensed pursuant

1 to sections 301.112 to 301.119, RSMo, shall deliver to the  
2 director of revenue a notice of lien as prescribed by the  
3 director accompanied by all other necessary documentation to  
4 perfect a lien pursuant to section 306.400;

5 (3) [Upon request of the owner or subordinate lienholder, a  
6 lienholder in possession of the certificate of title who receives  
7 the owner's application and required fee shall mail or deliver  
8 the certificate of title, application, and fee to the director of  
9 revenue, unless such certificate of title secures future advance  
10 liens. The delivery of the certificate of title to the director  
11 of revenue shall not affect the rights of the first lienholder  
12 under his or her security agreement] To perfect a lien for a  
13 subordinate lienholder when a transfer of ownership occurs, the  
14 subordinate lienholder shall either mail or deliver or cause to  
15 be mailed or delivered, a completed notice of lien to the  
16 department of revenue, accompanied by authorization from the  
17 first lienholder. The owner shall ensure the subordinate  
18 lienholder is recorded on the application for title at the time  
19 the application is made to the department of revenue. To perfect  
20 a lien for a subordinate lienholder when there is no transfer of  
21 ownership, the owner or lienholder in possession of the  
22 certificate, shall either mail or deliver or cause to be mailed  
23 or delivered, the owner's application for title, certificate,  
24 notice of lien, authorization from the first lienholder and title  
25 fee to the department of revenue. The delivery of the  
26 certificate and executing a notice of authorization to add a

1 subordinate lien does not affect the rights of the first  
2 lienholder under the security agreement;

3 (4) Upon receipt of the [certificate of title, application  
4 and the required fee] documents and fee required in subdivision  
5 (3) of this section, the director of revenue shall issue a new  
6 certificate of title containing the name and address of the new  
7 lienholder, and mail the certificate of title to the first  
8 lienholder named in it or if a lienholder has elected to have the  
9 director of revenue retain possession of an electronic  
10 certificate of title, the lienholder shall either mail or deliver  
11 to the director a notice of authorization for the director to add  
12 a subordinate lienholder to the existing certificate as  
13 prescribed in section 306.405. Upon receipt of such  
14 authorization and a notice of lien from a subordinate lienholder,  
15 the director shall add the subordinate lienholder to the  
16 certificate of title being electronically retained by the  
17 director and provide confirmation of the addition to both  
18 lienholders.

19 306.420. 1. Upon the satisfaction of a lien or encumbrance  
20 on an outboard motor, motorboat, vessel, or watercraft [for which  
21 the certificate of title is in the possession of the lienholder  
22 and provided the owner waives any rights to future advances  
23 subject to a lien in this chapter], the lienholder shall, within  
24 ten days [after demand and, in any event, within thirty days,]  
25 execute a release of his or her lien or encumbrance, on the  
26 certificate or separate document, and mail or deliver the

1 certificate [and release to the next lienholder named therein,  
2 or, if no other lienholder is so named,] or separate document to  
3 the owner or any person who delivers to the lienholder an  
4 authorization from the owner to receive the [certificate.]  
5 documentation. The release on the certificate or separate  
6 document shall be notarized. Each perfected subordinate  
7 lienholder, if any, shall release such lien or encumbrance as  
8 provided in this section for the first lienholder. The owner may  
9 cause the certificate of title, the release, and the required fee  
10 to be mailed or delivered to the director of revenue, who shall  
11 release the lienholder's rights on the certificate and issue a  
12 new certificate of title.

13 2. [Upon the satisfaction of a second or third lien or  
14 encumbrance on an outboard motor, motorboat, vessel, or  
15 watercraft for which the certificate of title is in the  
16 possession of the first lienholder, the lienholder whose lien or  
17 encumbrance is satisfied shall, within ten days after demand,  
18 and, in any event, within thirty days, execute a release and  
19 deliver the release to the owner or any person who delivers to  
20 the lienholder an authorization from the owner to receive it.  
21 The lienholder in possession of the certificate of title shall,  
22 at the request of the owner and upon receipt of the release and  
23 the required fee, either mail or deliver the certificate, the  
24 release, and the required fee to the director of revenue, or  
25 deliver the certificate of title to the owner, or the person  
26 authorized by him or her, for delivery of the certificate, the

1 release and required fee to the director of revenue, who shall  
2 release the subordinate lienholder's rights on the certificate of  
3 title and issue a new certificate of title.

4 3.] If the electronic certificate of title is in the  
5 possession of the director of revenue, the lienholder shall  
6 notify the director within ten business days of any release of  
7 lien and provide the director with the most current address of  
8 the owner. The director shall note such release on the  
9 electronic certificate and if no other lien exists, the director  
10 shall mail or deliver the certificate free of any lien to the  
11 owner.

12 3. Any person who knowingly and intentionally sends in a  
13 separate document releasing a lien of another without authority  
14 to do so shall be guilty of a class C felony.

15 306.430. All transactions involving liens or encumbrances  
16 on outboard motors, motorboats, vessels, or watercraft entered  
17 into before [April 1, 1986] July 1, 2003, and the rights, duties,  
18 and interests flowing from such transactions shall remain valid  
19 after [April 1, 1986] July 1, 2003, and may be terminated,  
20 completed, consummated, or enforced as required or permitted by  
21 any statute or other law amended or repealed by sections 306.400  
22 to 306.430 as though such repeal or amendment had not occurred.

23 306.440. Failure by the owner to indicate the lienholder of  
24 a lien or encumbrance attached to the outboard motor, motorboat,  
25 vessel, or watercraft at time of making application for title is  
26 a class A misdemeanor.

1           365.070. 1. Each retail installment contract shall be in  
2 writing, shall be signed by both the buyer and the seller, and  
3 shall be completed as to all essential provisions prior to the  
4 signing of the contract by the buyer. In addition to the retail  
5 installment contract, the seller may require the buyer to execute  
6 and deliver a negotiable promissory note to evidence the  
7 indebtedness created by the retail installment transaction and  
8 the seller may require security for the payment of the  
9 indebtedness or the performance of any other condition of the  
10 transaction. Every note executed pursuant to a retail  
11 installment contract shall expressly state that it is subject to  
12 prepayment privilege required by law and the refund required by  
13 law in such cases. Any such note, if otherwise negotiable under  
14 the provisions of sections 400.3-101 to 400.3-805, RSMo, shall be  
15 negotiable. The retail installment contract may evidence the  
16 security.

17           2. The printed portion of the contract, other than  
18 instructions for completion, shall be in at least eight point  
19 type. The contract shall contain the following notice in a size  
20 equal to at least ten point bold type:

21                               "Notice to the Buyer.

22           Do not sign this contract before you read it or if it  
23 contains any blank spaces.

24           You are entitled to an exact copy of the contract you sign.

25           Under the law you have the right to pay off in advance the  
26 full amount due and to obtain a partial refund of the time price  
27 differential."

1           3. The contract shall also contain, in a size equal to at  
2     least ten point bold type, a specific statement that liability  
3     insurance coverage for bodily injury and property damage caused  
4     to others is not included if that is the case.

5           4. The seller shall deliver to the buyer, or mail to him at  
6     his address shown on the contract, a copy of the contract signed  
7     by the seller. Until the seller does so, a buyer who has not  
8     received delivery of the motor vehicle may rescind his agreement  
9     and receive a refund of all payments made and return of all goods  
10    traded in to the seller on account of or in contemplation of the  
11    contract, or if the goods cannot be returned, the value thereof.  
12    Any acknowledgment by the buyer of delivery of a copy of the  
13    contract shall be in a size equal to at least ten point bold type  
14    and, if contained in the contract, shall appear directly above  
15    the buyer's signature.

16          5. The contract shall contain the names of the seller and  
17    the buyer, the place of business of the seller, the residence of  
18    the buyer and a brief description of the motor vehicle including  
19    its make, year model, model and identification numbers or marks.

20          6. The contract shall contain the following items:

21           (1) The cash sale price of the motor vehicle;

22           (2) The amount of the buyer's down payment, and whether  
23    made in money or goods, or partly in money and partly in goods,  
24    including a brief description of the goods traded in;

25           (3) The difference between items one and two;

26           (4) The aggregate amount, if any, if a separate identified  
27    charge is made therefor, included for all insurance on the motor

1 vehicle against loss, damage to or destruction of the motor  
2 vehicle, specifying the types of coverage and period;

3 (5) The aggregate amount, if any, if a separate identified  
4 charge is made therefor, included for all bodily injury and  
5 property damage liability insurance for injuries to the person or  
6 property of others, specifying the types of coverage and coverage  
7 period;

8 (6) The aggregate amount, if any, if a separate identified  
9 charge is made therefor, included for all life, accident or  
10 health insurance, specifying the types of coverage and coverage  
11 period;

12 (7) The amounts, if any, if a separate identified charge is  
13 made therefor, included for other insurance and benefits,  
14 specifying the types of coverage and benefits and the coverage  
15 periods and separately stating each amount for each insurance  
16 premium or benefit;

17 (8) The amount of official fees;

18 (9) The principal balance which is the sum of items (3),  
19 (4), (5), (6), (7) and (8);

20 (10) The amount of the time price differential expressed in  
21 the contract as a percent per annum;

22 (11) The total amount of the time balance stated as one sum  
23 in dollars and cents, which is the sum of items (9) and (10),  
24 payable in installments by the buyer to the seller, the number of  
25 installments, the amount of each installment and the due date or  
26 period thereof based on the contract's original amortization  
27 schedule; and



1           (12) The time sale price. The above items need not be  
2       stated in the sequence or order set forth.

3           365.120. 1. Notwithstanding the provisions of any other  
4       law, the time price differential included in a retail installment  
5       transaction [shall not exceed the following schedule:

6           Class 1. Any new motor vehicle designated by the  
7       manufacturer by a year model not earlier than the year in which  
8       the sale is made -- ten dollars per hundred dollars per year.

9           Class 2. Any new motor vehicle not in class 1 and any used  
10      motor vehicle designated by the manufacturer by a year model of  
11      the same or not more than two years prior to the year in which  
12      the sale is made -- ten dollars per one hundred dollars per year.

13          Class 3. Any used motor vehicle not in class 2 and  
14      designated by the manufacturer by a year model more than two  
15      years prior to the year in which the sale is made -- thirteen  
16      dollars per one hundred dollars per year] on any motor vehicle  
17      without regard to the year model designated by the manufacturer,  
18      the retail seller may charge, contract and receive any time price  
19      differential agreed to by the retail buyer, expressed in the  
20      contract as a percent per annum that shall apply to the contract  
21      regardless of its repayment schedule.

22          2. The time price differential shall be computed on the  
23      principal balance as [determined under subsection 6 of section  
24      365.070 on contracts payable in successive monthly payments  
25      substantially equal in amount from the date of the contract until  
26      the maturity of the final installment, notwithstanding that the

1 total time balance thereof is required to be paid in  
2 installments] a percent per annum. A minimum time price  
3 differential of twenty-five dollars may be charged on any retail  
4 installment transaction.

5 [3. When a retail installment contract provides for payment  
6 in other than substantially equal monthly installments, the time  
7 price differential may be at a rate which will provide the same  
8 return as is permitted on substantially equal monthly payment  
9 contracts under subsections 1 and 2, having due regard for the  
10 schedule of payments in the contract.]

11 407.850. As used in sections 407.850 to 407.885, the  
12 following terms mean:

13 (1) "Current model", a model listed in the wholesaler's,  
14 manufacturer's or distributor's current sales manual or any  
15 supplements thereto;

16 (2) "Current net price", the price listed in the  
17 wholesaler's, manufacturer's or distributor's price list or  
18 catalogue in effect at the time the contract is canceled or  
19 discontinued, less any applicable trade and cash discounts;

20 (3) "Inventory", [farm] equipment, implements, machinery,  
21 attachments and repair parts;

22 (4) "Net cost", the price the retailer actually paid for  
23 the merchandise to the wholesaler, manufacturer or distributor,  
24 plus freight from the wholesaler's, manufacturer's or  
25 distributor's location to the dealer's location;

26 (5) "Retailer", any person, firm or corporation engaged in

1 the business of selling, repairing and retailing:

2 (a) Farm implements, machinery, attachments or repair  
3 parts;

4 (b) Industrial, maintenance and construction power  
5 equipment; or

6 (c) Outdoor power equipment used for lawn, garden, golf  
7 course, landscaping or grounds maintenance;  
8 but shall not include retailers of petroleum and motor vehicles  
9 and related automotive care and replacement products normally  
10 sold by such retailers.

11 407.860. 1. The wholesaler, manufacturer or distributor  
12 shall repurchase that inventory previously purchased from him and  
13 held by the retailer at the date of termination of the contract.  
14 The provisions of sections 407.850 to 407.885 shall apply to the  
15 transferee of such wholesaler, manufacturer or distributor if  
16 such transferee acquired substantially all of the assets of such  
17 wholesaler, manufacturer or distributor. The wholesaler,  
18 manufacturer or distributor shall pay one hundred percent of the  
19 net cost of all new, unsold, undamaged and complete [farm]  
20 equipment, implements, machinery, and attachments and ninety-five  
21 percent of the current net price of all new, unused and undamaged  
22 repair parts. The retailer shall pay the cost of transportation  
23 to the nearest warehouse maintained by the wholesaler,  
24 manufacturer, or distributor, or to a mutually agreeable site.  
25 The wholesaler, manufacturer or distributor shall pay the  
26 retailer five percent of the current net price on all new, unused  
27 and undamaged repair parts returned to cover the cost of

1 handling, packing and loading. The wholesaler, manufacturer or  
2 distributor shall have the option of performing the handling,  
3 packing and loading in lieu of paying the five percent for these  
4 services. The retailer shall pay the cost of transportation to  
5 the nearest warehouse maintained by the wholesaler, manufacturer,  
6 or distributor, or to a mutually agreeable site.

7 2. Upon payment of the repurchase amount to the retailer,  
8 the title and right of possession to the repurchased inventory  
9 shall transfer to the wholesaler, manufacturer or distributor.

10 407.870. The provisions of sections 407.850 to 407.885  
11 shall not require the repurchase from a retailer of:

12 (1) Any repair part which because of its condition is not  
13 resalable as a new part without repackaging or reconditioning;

14 (2) Any inventory for which the retailer is unable to  
15 furnish evidence, satisfactory to the wholesaler, manufacturer or  
16 distributor, of title, free and clear of all claims, liens and  
17 encumbrances;

18 (3) Any inventory which the retailer desires to keep,  
19 provided the retailer has a contractual right to do so;

20 (4) Any equipment, implements, machinery, and attachments  
21 which are not in new, unused, undamaged, or complete condition;

22 (5) Any repair parts which are not in new, unused, or  
23 undamaged condition;

24 (6) Any equipment, implements, machinery or attachments  
25 which were purchased twenty-four months or more prior to notice  
26 of termination of the contract;

27 (7) Any inventory which was ordered by the retailer on or

1 after the date of notification of termination of the contract;

2 (8) Any inventory which was acquired by the retailer from  
3 any source other than the wholesaler, manufacturer or distributor  
4 or transferee of such wholesaler, manufacturer or distributor  
5 unless such inventory was acquired from any source authorized or  
6 arranged by the manufacturer.

7 454.516. 1. The director or IV-D agency may cause a lien  
8 pursuant to [subsection] subsections 2 and 3 of this section or  
9 the obligee may cause a lien pursuant to subsection [9] 7 of this  
10 section for unpaid and delinquent child support to [be placed  
11 upon] block the issuance of a certificate of ownership for motor  
12 vehicles, motor boats, outboard motors, manufactured homes and  
13 trailers that are registered in the name of a delinquent child  
14 support obligor[, if the title to the property is held by a  
15 lienholder].

16 2. The director or IV-D agency shall notify the department  
17 of revenue with the required information necessary to impose a  
18 lien pursuant to this section by filing a notice of lien[, and  
19 the department of revenue shall notify the lienholder of the  
20 existence of such lien].

21 3. The director or IV-D agency shall not notify the  
22 department of revenue and the department of revenue shall not  
23 register [the] lien [unless] except as provided in this  
24 subsection. After the director or IV-D agency decide that such  
25 lien qualifies pursuant to this section and forward it to the  
26 department of revenue, the director of revenue or the director's

1 designee shall only file such lien against the obligor's  
2 certificate of ownership when:

3 (1) The [director of revenue or the director's designee  
4 determines that the] obligor has unpaid child support which  
5 exceeds one thousand dollars;

6 (2) The property has a value of more than three thousand  
7 dollars as determined by current industry publications that  
8 provide such estimates to dealers in the business, and the  
9 property's year of manufacture is within seven years of the date  
10 of filing of the lien except in the case of a motor vehicle that  
11 has been designated a historic vehicle;

12 (3) The property has no more than two existing liens for  
13 child support;

14 (4) The property has had no more than three prior liens for  
15 child support in the same calendar year.

16 4. In the event that a lien is placed and the obligor's  
17 total support obligation is eliminated, the director shall notify  
18 the department of revenue that the lien shall be removed.

19 5. Upon notification [by the director] that a lien exists  
20 pursuant to this section, the department of revenue shall [send a  
21 sticker of impaired title in an envelope which says prominently  
22 "important legal document" to the lienholder] register the lien  
23 on the records of the department of revenue. Such [sticker]  
24 registration shall contain the type and model of the property[,]  
25 and the serial number of the property [and the identification  
26 number of the obligor and shall be properly affixed to the

1 certificate of title by the lienholder].

2 6. Upon notification by the director that the lien shall be  
3 removed pursuant to subsection 4 of this section, the department  
4 of revenue shall [send a void sticker to the lienholder and such  
5 void sticker shall be properly affixed to the certificate of  
6 title by the lienholder covering the impaired title sticker.  
7 Such sticker] register such removal of lien on its database, that  
8 shall contain the type and model of the property[, ] and the  
9 serial number of the property [and the identification number of  
10 the obligor].

11 7. [When a lienholder has received notice of a lien created  
12 by the division or IV-D agency pursuant to this section and the  
13 obligor thereafter satisfies the debt to that lienholder, the  
14 lienholder shall mail to the division or IV-D agency the  
15 certificate of ownership on the motor vehicle, motor boat,  
16 outboard motor, manufactured home or trailer. The division or  
17 IV-D agency may hold the certificate of ownership until the child  
18 support obligation is satisfied, or levy and execute on the motor  
19 vehicle, motor boat, outboard motor, manufactured home or trailer  
20 and sell same, at public sale, in order to satisfy the debt. A  
21 lienholder shall inform dealers in the business of motor  
22 vehicles, motor boats, manufactured homes and trailers, upon  
23 request, of the existence or nonexistence of a lien imposed by  
24 the division pursuant to this section.

25 8.] A good faith purchaser for value without notice of the  
26 lien or a lender without notice of the lien takes free of the

1     lien.

2           [9.] 8. In cases which are not IV-D cases, to cause a lien  
3 pursuant to the provisions of this section the obligee or the  
4 obligee's attorney shall file notice of the lien with the  
5 [lienholder or payor] department of revenue. This notice shall  
6 have attached a certified copy of the court order with all  
7 modifications and a sworn statement by the obligee or a certified  
8 statement from the court attesting to or certifying the amount of  
9 arrearages.

10          9. Notwithstanding any other law to the contrary, the  
11 department of revenue shall maintain a child support lien  
12 database that may be collected against the owner on a certificate  
13 of ownership provided for by chapters 301, 306 and 700, RSMo. To  
14 determine any existing liens for child support pursuant to this  
15 section, the lienholder, dealer or buyer may inquire  
16 electronically into the database. A good faith purchaser for  
17 value without notice of the lien or a lender without notice of  
18 the lien takes free of the lien.

19          700.350. 1. As used in sections 700.350 to 700.390, the  
20 term "manufactured home" shall have the same meanings given it in  
21 section 700.010 or section 400.9-102(a)(53), RSMo.

22          2. Unless excepted by section 700.375, a lien or  
23 encumbrance on a manufactured home shall not be valid against  
24 subsequent transferees or lienholders of the manufactured home  
25 who took without knowledge of the lien or encumbrance unless the  
26 lien or encumbrance is perfected as provided in sections 700.350



1 to 700.380.

2 3. A lien or encumbrance on a manufactured home is  
3 perfected by the delivery to the director of revenue[, by the  
4 owner, of the existing certificate of ownership, if any, an  
5 application for a certificate of ownership containing the name  
6 and address of the lienholder and the date of his security  
7 agreement, and the required certificate of ownership fee] of a  
8 notice of lien in a format as prescribed by the director of  
9 revenue. Such lien or encumbrance shall be perfected as of the  
10 time of its creation if the delivery [of the items] of the notice  
11 of lien required in this subsection to the director of revenue is  
12 completed within thirty days thereafter, otherwise such lien or  
13 encumbrance shall be perfected as of the time of the delivery. A  
14 notice of lien shall contain the name and address of the owner of  
15 the manufactured home and the secured party, a description of the  
16 manufactured home, including any identification number and such  
17 other information as the department of revenue shall prescribe.  
18 A notice of lien substantially complying with the requirements of  
19 this section is effective even though it contains minor errors  
20 which are not seriously misleading. Liens may secure future  
21 advances. The future advances may be evidenced by one or more  
22 notes or other documents evidencing indebtedness and shall not be  
23 required to be executed or delivered prior to the date of the  
24 future advance lien securing them. The fact that a lien may  
25 secure future advances shall be clearly stated on the security  
26 agreement and noted as "subject to future advances" [in the

1 second lienholder's portion of the title application] in the  
2 notice of lien and noted on the certificate of ownership if the  
3 motor vehicle or trailer is subject to only one lien. To secure  
4 future advances when an existing lien on a manufactured home does  
5 not secure future advances, the lienholder shall file a notice of  
6 lien reflecting the lien to secure future advances. A lien to  
7 secure future advances is perfected in the same time and manner  
8 as any other lien, except as follows: proof of the lien for  
9 future advances is maintained by the department of revenue;  
10 however, there shall be additional proof of such lien when the  
11 notice of lien reflects such lien for future advances, is  
12 receipted by the department of revenue, and returned to the  
13 lienholder.

14 4. Whether a manufactured home is subject to a lien or  
15 encumbrance shall be determined by the laws of the jurisdiction  
16 where the manufactured home was when the lien or encumbrance  
17 attached, subject to the following:

18 (1) If the parties understood at the time the lien or  
19 encumbrances attached that the manufactured home would be kept in  
20 this state and it is brought into this state within thirty days  
21 thereafter for purposes other than transportation through this  
22 state, the validity and effect of the lien or encumbrance in this  
23 state shall be determined by the laws of this state;

24 (2) If the lien or encumbrance was perfected under the laws  
25 of the jurisdiction where the manufactured home was when the lien  
26 or encumbrance attached, the following rules apply:

27 (a) If the name of the lienholder is shown on an existing

1 certificate of title or ownership issued by that jurisdiction,  
2 his lien or encumbrance continues perfected in this state;

3 (b) If the name of the lienholder is not shown on an  
4 existing certificate of title or ownership issued by the  
5 jurisdiction, the lien or encumbrance continues perfected in this  
6 state for three months after the first certificate of title of  
7 the manufactured home is issued in this state, and also  
8 thereafter if, within the three-month period, it is perfected in  
9 this state. The lien or encumbrance may also be perfected in  
10 this state after the expiration of the three-month period, in  
11 which case perfection dates from the time of perfection in this  
12 state;

13 (3) If the lien or encumbrance was not perfected under the  
14 laws of the jurisdiction where the manufactured home was when the  
15 lien or encumbrance attached, it may be perfected in this state,  
16 in which case perfection dates from the time of perfection in  
17 this state;

18 (4) A lien or encumbrance may be perfected under paragraph  
19 (b) of subdivision (2) or subdivision (3) of this subsection in  
20 the same manner as provided in subsection 3 of this section or by  
21 the lienholder delivering to the director or revenue a notice of  
22 lien or encumbrance in the form the director prescribes and the  
23 required fee.

24 5. By rules and regulations, the director of revenue shall  
25 establish a security procedure for the purpose of verifying that  
26 an electronic notice of lien or notice of satisfaction of lien on  
27 a manufactured home given as permitted in this chapter is that of

1 the lienholder, verifying that an electronic notice of  
2 confirmation of ownership and perfection of a lien given as  
3 required in this chapter is that of the director of revenue, and  
4 detecting error in the transmission or the content of such  
5 notice. A security procedure may require the use of algorithms  
6 or other codes, identifying words or numbers, encryption, call  
7 back procedures or similar security devices. Comparison of a  
8 signature on a communication with an authorized specimen  
9 signature shall not by itself be a security procedure.

10 6. All transactions involving liens or encumbrances on  
11 manufactured homes perfected pursuant to sections 700.350 to  
12 700.390 after June 30, 2001, and before August 28, 2002, and the  
13 rights, duties, and interests flowing from them are and shall  
14 remain valid thereafter and may be terminated, completed,  
15 consummated, or enforced as required or permitted by section  
16 400.9-303, RSMo, or this section. Section 400.9-303, RSMo, and  
17 this section are remedial in nature and shall be given that  
18 construction.

19 7. The repeal and reenactment of subsections 3 and 4 of  
20 this section shall become effective July 1, 2003.

21 700.355. [All certificates of title to a manufactured home  
22 issued by the director of revenue shall be mailed or otherwise  
23 delivered to the first lienholder named in such certificate or,  
24 if no lienholder is named, to the owner named therein.] 1. A  
25 certificate of title to the manufactured home when issued by the  
26 director of revenue shall be mailed or confirmation of such title

1 shall be electronically transmitted or mailed to the owner shown  
2 on the face of the title of such manufactured home. Provided the  
3 lienholder submits complete and legible documents, the director  
4 of revenue shall mail confirmation or electronically confirm  
5 receipt of each notice of lien to the lienholder as soon as  
6 possible, but no later than fifteen business days after the  
7 filing of the notice of lien.

8       2. A lienholder may elect that the director of revenue  
9 retain possession of an electronic certificate of title, and the  
10 director shall issue regulations to cover the procedure by which  
11 such election is made. Each such certificate of title shall  
12 require a separate election, unless the director provides  
13 otherwise by regulation. A subordinate lienholder shall be bound  
14 by the election of the superior lienholder with respect to the  
15 certificate involved.

16       3. "Electronic certificate of ownership" means any  
17 electronic record of title, including a lien or liens that may be  
18 recorded.

19       700.360. If an owner creates a lien or encumbrance on a  
20 manufactured home:

21       (1) The owner shall immediately execute the application,  
22 either in the space provided therefor on the certificate of title  
23 or on a separate form the director of revenue prescribes, to name  
24 the lienholder on the certificate of title, showing the name and  
25 address of the lienholder and the date of his security agreement,  
26 and shall cause the certificate of title, the application and the  
27 required fee to be mailed or delivered to the director of

1 revenue. Failure of the owner to do so, including naming the  
2 lienholder in such application, is a class A misdemeanor;

3 (2) [Upon request of The owner or subordinate lienholder, a  
4 lienholder in possession of the certificate of title who receives  
5 the owner's application and required fee shall mail or deliver  
6 the certificate of title, application, and fee to the director of  
7 revenue. The delivery of the certificate of title to the  
8 director of revenue shall not affect the rights of the first  
9 lienholder under his security agreement;

10 (3) Upon receipt of the certificate of title, application  
11 and the required fee, the director of revenue shall issue a new  
12 certificate of title containing the name and address of the new  
13 lienholder, and mail the certificate of title to the first  
14 lienholder named in it.] The lienholder or an authorized agent  
15 licensed pursuant to sections 301.112 to 301.119, RSMo, shall  
16 deliver to the director of revenue a notice of lien as prescribed  
17 by the director accompanied by all other necessary documentation  
18 to perfect a lien as provided in this section;

19 (3) To perfect a lien for a subordinate lienholder when a  
20 transfer of ownership occurs, the subordinate lienholder shall  
21 either mail or deliver or cause to be mailed or delivered, a  
22 completed notice of lien to the department of revenue,  
23 accompanied by authorization from the first lienholder. The  
24 owner shall ensure the subordinate lienholder is recorded on the  
25 application for title at the time the application is made to the  
26 department of revenue. To perfect a lien for a subordinate

1 lienholder when there is no transfer of ownership, the owner or  
2 lienholder in possession of the certificate, shall either mail or  
3 deliver or cause to be mailed or delivered, the owner's  
4 application for title, certificate, notice of lien, authorization  
5 from the first lienholder and title fee to the department of  
6 revenue. The delivery of the certificate and executing a notice  
7 of authorization to add a subordinate lien does not affect the  
8 rights of the first lienholder under the security agreement;

9 (4) Upon receipt of the documents and fee required in  
10 subdivision (3) of this section, the director of revenue shall  
11 issue a new certificate of ownership containing the name and  
12 address of the new lienholder, and shall mail the certificate as  
13 prescribed in section 700.355, or if a lienholder who has elected  
14 for the director of revenue to retain possession of an electronic  
15 certificate of ownership the lienholder shall either mail or  
16 deliver to the director a notice of authorization for the  
17 director to add a subordinate lienholder to the existing  
18 certificate. Upon receipt of such authorization, a notice of  
19 lien and required documents and title fee, if applicable, from a  
20 subordinate lienholder, the director shall add the subordinate  
21 lienholder to the certificate of ownership being electronically  
22 retained by the director and provide confirmation of the addition  
23 to both lienholders.

24 700.365. 1. A lienholder may assign, absolutely or  
25 otherwise, his lien or encumbrance on the manufactured home to a  
26 person other than the owner without affecting the interest of the  
27 owner or the validity or effect of the lien or encumbrance, but

1 any person without notice of the assignment is protected in  
2 dealing with the lienholder as the holder of the lien or  
3 encumbrance and the lienholder shall remain liable for any  
4 obligations as lienholder until the assignee is named as  
5 lienholder on the certificate of title.

6 2. An assignee under subsection 1 of this section may, but  
7 need not to perfect the assignment, have the certificate of title  
8 issued with the assignee named as lienholder, upon delivering to  
9 the director of revenue the certificate of title, an assignment  
10 by the lienholder named in the certificate of title, and the  
11 required fee in the form the director of revenue prescribes.

12 3. If the certificate of ownership is being electronically  
13 retained by the director of revenue, the original lienholder may  
14 mail or deliver a notice of assignment of a lien to the director  
15 in a form prescribed by the director. Upon receipt of notice of  
16 assignment, the director shall update the electronic certificate  
17 of ownership to reflect the assignment of the lien and  
18 lienholder.

19 700.370. [1.] Upon the satisfaction of a lien or  
20 encumbrance on a manufactured home [for which the certificate of  
21 title is in the possession of the lienholder], the lienholder  
22 shall, within ten days after demand, [and, in any event, within  
23 thirty days, execute a] release [of his] the lien or encumbrance  
24 on the certificate or a separate document, and mail or deliver  
25 the certificate [and release to the next lienholder named  
26 therein, or, if no other lienholder is so named] or separate



1 document, to the owner or any person who delivers to the  
2 lienholder an authorization from the owner to receive the  
3 certificate or separate document. Each perfected subordinate  
4 lienholder, if any, shall release such lien or encumbrance as  
5 provided in this section for the first lienholder. The release  
6 on the certificate or separate document shall be notarized. The  
7 owner may cause the certificate of title, the release, and the  
8 required fee to be mailed or delivered to the director of  
9 revenue, who shall release the lienholder's rights on the  
10 certificate and issue a new certificate of title.

11 [2. Upon the satisfaction of a second or third lien or  
12 encumbrance on a manufactured home for which the certificate of  
13 title is in the possession of the first lienholder, the  
14 lienholder whose lien or encumbrance is satisfied shall, within  
15 ten days after demand, and, in any event, within thirty days,  
16 execute a release and deliver the release to the owner or any  
17 person who delivers to the lienholder an authorization from the  
18 owner to receive it. The lienholder in possession of the  
19 certificate of title shall, at the request of the owner and upon  
20 receipt of the release and the required fee, either mail or  
21 deliver the certificate, the release, and the required fee to the  
22 director of revenue, or deliver the certificate of title to the  
23 owner, or the person authorized by him, for delivery of the  
24 certificate, the release and required fee to the director of  
25 revenue, who shall release the subordinate lienholder's rights on  
26 the certificate of title and issue a new certificate of title.]

1           700.380. All transactions involving liens or encumbrances  
2 on manufactured homes entered into before [December 31, 1985]  
3 July 1, 2003, and the rights, duties, and interests flowing from  
4 such transactions shall remain valid [after December 31, 1985]  
5 thereafter, and may be terminated, completed, consummated, or  
6 enforced as required or permitted by any statute or other law  
7 amended or repealed by sections 700.350 to 700.380 as though such  
8 repeal or amendment had not occurred.

9           [301.661. The changes in sections 301.190,  
10 301.610, 301.620, 301.630 and 301.640 made through the  
11 provisions of house bill no. 884, as enacted in the  
12 second regular session of the eighty-sixth general  
13 assembly are remedial and should be given that  
14 construction.]  
15

16           [407.750. Whenever any person, firm, or  
17 corporation engaged in the business of selling and  
18 repairing industrial, maintenance and construction  
19 power equipment enters into a written or parol contract  
20 whereby such retailer agrees to maintain a stock of  
21 parts or machines or equipment or attachments with any  
22 wholesaler, manufacturer, or distributor of industrial,  
23 maintenance and construction power equipment used for  
24 industrial, maintenance or construction applications  
25 and either such wholesaler, manufacturer, or  
26 distributor desires to cancel or discontinue the  
27 contract, such wholesaler, manufacturer, or distributor  
28 shall pay to such retailer, unless the retailer should  
29 desire to keep such merchandise, a sum equal to ninety  
30 percent of the net cost of all new, unused, undamaged  
31 and complete industrial, maintenance and construction  
32 power equipment used for industrial, maintenance and  
33 construction applications including transportation  
34 charges which have been paid by such retailer, and  
35 ninety percent of the current net price on new, unused  
36 and undamaged repair parts at the price listed in the  
37 current price lists or catalogues, which parts had  
38 previously been purchased from such wholesaler,  
39 manufacturer, or distributor in the previous two years,  
40 and held by such retailer on the date of the  
41 cancellation of such contract. Any parts in a dealer's

1 inventory for more than two years shall be returned for  
2 ninety percent of his original purchase cost. "Net  
3 cost" means the price the retailer actually paid for  
4 the equipment. "Current net price" means the price  
5 listed in the manufacturer's, wholesaler's or  
6 distributor's price list or catalogue in effect on the  
7 date of termination, less any applicable trade or cash  
8 discounts. Upon the payment of the sum equal to ninety  
9 percent of the net cost of such equipment and ninety  
10 percent of the current net price on the repair parts,  
11 the title to such machinery and repair parts shall pass  
12 to the manufacturer, wholesaler or distributor making  
13 such payment, and such manufacturer, wholesaler, or  
14 distributor shall be entitled to the possession of such  
15 equipment and repair parts. All payments required to  
16 be made under the provisions of this section must be  
17 made within ninety days after the return of the  
18 machinery or repair parts. After ninety days, all  
19 payments or allowances shall include interest at the  
20 rate stated in section 408.040, RSMo. The provisions  
21 of this section shall not require the repurchase from a  
22 retailer of:

23 (1) Any repair part which has a limited storage  
24 life or is otherwise subject to deterioration, such as  
25 rubber items, gaskets or batteries;

26 (2) Any repair part which is in a broken or  
27 damaged package;

28 (3) Any single repair part which is priced as a  
29 set of two or more items;

30 (4) Any repair part which because of its  
31 condition is not resalable as a new part without  
32 repackaging or reconditioning;

33 (5) Any inventory for which the retailer is  
34 unable to furnish evidence, satisfactory to the  
35 wholesaler, manufacturer or distributor, of title, free  
36 and clear of all claims, liens and encumbrances;

37 (6) Any inventory which the retailer desires to  
38 keep, provided the retailer has a contractual right to  
39 do so;

40 (7) Any implements, machinery, and attachments  
41 which are not in new, unused, undamaged, or complete  
42 condition;

43 (8) Any repair parts which are not in new,  
44 unused, or undamaged condition;

45 (9) Any implements, machinery or attachments  
46 which were purchased twenty-four months or more prior  
47 to notice of termination of the contract;

1           (10) Any inventory which was ordered by the  
2 retailer on or after the date of notification of  
3 termination of the contract;

4           (11) Any inventory which was acquired by the  
5 retailer from any source other than the wholesaler,  
6 manufacturer or distributor or transferee of such  
7 wholesaler, manufacturer or distributor;

8           (12) Any part that has been removed from an  
9 engine or short block or piece of equipment or any part  
10 that has been mounted or installed on an engine or on  
11 equipment.]  
12

13           [407.751. The provisions of section 407.750 shall  
14 be supplemental to any agreement between the retailer  
15 and the manufacturer, wholesaler or distributor  
16 covering the return of equipment and repair parts. The  
17 retailer may elect to pursue either his contract remedy  
18 or the remedy provided herein, and an election by the  
19 retailer to pursue his contract remedy shall not bar  
20 his right to the remedy provided herein as to those  
21 equipment and repair parts not affected by the contract  
22 remedy.]  
23

24           [407.752. In the event that any manufacturer,  
25 wholesaler, or distributor of machinery and repair  
26 parts for industrial, maintenance and construction  
27 power equipment used for industrial, maintenance and  
28 construction applications, upon cancellation of a  
29 contract by either a retailer or a manufacturer,  
30 wholesaler, or distributor, fails or refuses to make  
31 payment to such dealer as required by the provisions of  
32 section 407.750, such manufacturer, wholesaler, or  
33 distributor shall be liable in a civil action to the  
34 retailer for costs of litigation and attorney's fees  
35 and for one hundred percent of the net cost of such  
36 machinery, plus transportation charges which have been  
37 paid by the retailer and one hundred percent of the  
38 current net price of the repair parts.]  
39

40           [407.890. Whenever any person, firm, or  
41 corporation engaged in the business of selling and  
42 repairing outdoor power equipment used for lawn,  
43 garden, golf course, landscaping or grounds  
44 maintenance, enters into a written or parol contract  
45 whereby such retailer agrees to maintain a stock of  
46 parts or machines or equipment or attachments with any  
47 wholesaler, manufacturer, or distributor of outdoor

1 power equipment used for lawn, garden, golf course,  
2 landscaping or grounds maintenance, and either such  
3 wholesaler, manufacturer, or distributor desires to  
4 cancel or discontinue the contract, such wholesaler,  
5 manufacturer, or distributor shall pay to such  
6 retailer, unless the retailer should desire to keep  
7 such merchandise, a sum equal to ninety percent of the  
8 net cost of all new, unused, undamaged and complete  
9 outdoor power equipment used for lawn, garden, golf  
10 course, landscaping or grounds maintenance, including  
11 transportation charges which have been paid by such  
12 retailer, and ninety percent of the current net price  
13 on new, unused and undamaged repair parts at the price  
14 listed in the current price lists or catalogues, which  
15 parts had previously been purchased from such  
16 wholesaler, manufacturer, or distributor in the  
17 previous two years, and held by such retailer on the  
18 date of the cancellation of such contract. Any parts  
19 in dealer's inventory for more than two years shall be  
20 returned for ninety percent of his original purchase  
21 cost. "Net cost" means the price the retailer actually  
22 paid for the equipment. "Current net price" means the  
23 price listed in the manufacturer's, wholesaler's or  
24 distributor's price list or catalogue in effect on the  
25 date of termination, less any applicable trade or cash  
26 discounts. Upon the payment of the sum equal to ninety  
27 percent of the net cost of such equipment and ninety  
28 percent of the current net price on the repair parts,  
29 the title to such machinery and repair parts shall pass  
30 to the manufacturer, wholesaler or distributor making  
31 such payment, and such manufacturer, wholesaler, or  
32 distributor shall be entitled to the possession of such  
33 equipment and repair parts. All payments required to  
34 be made under the provisions of this section must be  
35 made within ninety days after the return of the  
36 machinery or repair parts. After ninety days, all  
37 payments or allowances shall include interest at the  
38 rate stated in section 408.040, RSMo. The provisions  
39 of this section shall not require the repurchase from a  
40 retailer of:

41 (1) Any repair part which has a limited storage  
42 life or is otherwise subject to deterioration, such as  
43 rubber items, gaskets or batteries;

44 (2) Any repair part which is in a broken or  
45 damaged package;

46 (3) Any single repair part which is priced as a  
47 set of two or more items;

1           (4) Any repair part which because of its  
2 condition is not resalable as a new part without  
3 repackaging or reconditioning;

4           (5) Any inventory for which the retailer is  
5 unable to furnish evidence, satisfactory to the  
6 wholesaler, manufacturer or distributor, of title, free  
7 and clear of all claims, liens and encumbrances;

8           (6) Any inventory which the retailer desires to  
9 keep, provided the retailer has a contractual right to  
10 do so;

11          (7) Any implements, machinery, and attachments  
12 which are not in new, unused, undamaged, or complete  
13 condition;

14          (8) Any repair parts which are not in new,  
15 unused, or undamaged condition;

16          (9) Any implements, machinery or attachments  
17 which were purchased twenty-four months or more prior  
18 to notice of termination of the contract;

19          (10) Any inventory which was ordered by the  
20 retailer on or after the date of notification of  
21 termination of the contract;

22          (11) Any inventory which was acquired by the  
23 retailer from any source other than the wholesaler,  
24 manufacturer or distributor or transferee of such  
25 wholesaler, manufacturer or distributor;

26          (12) Any part that has been removed from an  
27 engine or short block or piece of equipment or any part  
28 that has been mounted or installed on an engine or on  
29 equipment.]

30  
31           [407.892. The provisions of section 407.890 shall  
32 be supplemental to any agreement between the retailer  
33 and the manufacturer, wholesaler or distributor  
34 covering the return of equipment and repair parts. The  
35 retailer may elect to pursue either his contract remedy  
36 or the remedy provided herein, and an election by the  
37 retailer to pursue his contract remedy shall not bar  
38 his right to remedy provided herein as to those  
39 equipment and repair parts not affected by the contract  
40 remedy.]

41  
42           [407.893. In the event that any manufacturer,  
43 wholesaler, or distributor of machinery and repair  
44 parts for outdoor power equipment used for lawn,  
45 garden, golf course, landscaping or ground maintenance,  
46 upon cancellation of a contract by either a retailer or  
47 a manufacturer, wholesaler, or distributor, fails or

1 refuses to make payment to such dealer as required by  
2 the provisions of section 407.890, such manufacturer,  
3 wholesaler, or distributor shall be liable in a civil  
4 action to the retailer for costs of litigation and  
5 attorneys' fees and for one hundred percent of the net  
6 cost of such machinery, plus transportation charges  
7 which have been paid by the retailer and one hundred  
8 percent of the current net price of the repair parts.]  
9

10 [700.390. Failure by the owner to indicate the  
11 lienholder of a lien or encumbrance attached to the  
12 manufactured home at time of making application for  
13 title is a class A misdemeanor.]